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Budget 2007 Provides Tax Relief, a Cleaner Environment and Debt Reduction for a Stronger Canada

The Honourable Jim Flaherty, Minister of Finance, is pleased to announce that key measures in Budget 2007 are now law, providing a wide range of leadership initiatives to build a stronger Canada. The budget bill, Bill C-52, received Royal Assent today.

"Budget 2007 marks a significant step forward for all Canadians," said Minister Flaherty. "This budget will strengthen the federation by restoring much-needed fiscal balance. It begins delivering on Canada's long-term economic plan, *Advantage Canada*. This means tax relief for families and businesses and predictable, long-term funding for post-secondary education, social assistance and social services. Budget 2007 also continues to make significant progress in reducing our federal debt and delivers support for clean air and climate change projects."

Measures in Bill C-52 include:

- Up to $310 per child of tax relief for more than 3 million Canadian families.
- Up to $209 of tax relief for supporting spouses or single taxpayers supporting a child or relative.
- The Tax Fairness Plan, which delivers over $1 billion in tax savings for Canadian pensioners and seniors.
- The Tax Back Guarantee Act, which commits all interest savings from federal debt reduction each year to reducing personal income taxes.
- Amendments to the Federal-Provincial Arrangements Act, which returns the Equalization program to a principles-based, formula-driven footing, using a higher standard based on the fiscal capacity of all 10 provinces.
- Predictable, long-term funding for the Canada Social Transfer in support of post-secondary education, social assistance and social services, as well as early childhood development and early learning and child care services. This includes

$800 million more a year for post-secondary education as well as $250 million for the creation of child care spaces.

- The $1.5-billion trust for clean air and climate change.
- Up to $612 million for patient wait times guarantees.
- $300 million for a vaccine program to protect girls and women from cancer of the cervix.
- Authorization to provide funding to the Financial Consumer Agency of Canada for financial literacy activities.
- Modernization of bankruptcy and insolvency rules to ensure full legal protection for eligible financial contracts.
- Enhanced government borrowing authority, facilitating the consolidation of borrowing of major Crown corporations.

Legislation to implement the remaining Budget 2007 proposals is being developed for introduction at a later time.

Detailed explanatory notes relating to the tax measures in the bill are available free of charge on the Department of Finance website. Printed copies are available for $10 from the Department of Finance Distribution Centre at 613-995-2855.

Further information on Budget 2007 is available on the Department of Finance website.

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